

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20278-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2021-2

UNITED STATES POSTAL SERVICE RESPONSE TO QUESTION 1  
OF CHAIRMAN'S INFORMATION REQUEST NO. 7  
(June 24, 2021)

The Postal Service hereby responds to Question 1 of Chairman's Information Request No. 7, issued on June 22, 2021. The question is stated verbatim and is followed by its response.

Respectfully submitted,  
UNITED STATES POSTAL SERVICE

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## USPS Marketing Mail

1. In the Response to CHIR No. 2, question 3.a.,<sup>1</sup> the Postal Service states that the mail processing operations affected by the new discount for High Density Flats on 5-Digit pallets include: transporting containers from the dock to the bundle sorting operation, dumping the container, sorting the contents of the container to the delivery unit, and transporting mail to back to the dock. Please explain where each of these activities is explicitly contained within the model provided in Excel file "CHIR2Q3c\_d.xlsx," which was provided with the Response to CHIR No. 2, question 3.c.

### Response:

In the Excel file "CHIR2Q3c\_d.xlsx" the flows of bundles through bundle sorting operations of 5-Digit CRRTS pallets and all other pallets are presented on tab "BUNDLE\_SORT\_HDSAT."

The flows for 5-Digit CRRTS pallets are presented in rows 33 for High Density rated pieces in FSS bundles and in row 26 for High Density rated pieces in Carrier Route bundles. The flows for all other High Density rated pieces in Carrier Route bundles are presented in rows 17-20 for High Density pieces in FSS bundles and in rows 6-10 for High Density rated pieces in Carrier Route bundles.

These flows are translated into modeled costs in the bundle costing section (rows 10-28) of the tabs "HD\_COST," "HDFSS\_COST," "HD\_CRRTS\_COST," and "HDFSS\_SCHEME\_COST." The costs presented on these tabs would encompass direct costs associated with dumping the container and sorting the contents of the container to the delivery unit.

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<sup>1</sup> Response of the United States Postal Service to Questions 1-4 and 6-8 of Chairman's Information Request No. 2, June 11, 2021 (Response to CHIR No. 2).

The allied costs (transporting containers from the dock to the bundle sorting operation and transporting mail back to the dock) are not explicitly modeled but, as per accepted PRC methodology, are assumed to be proportional to direct costs and inferred via the CRA adjustment factor in cell F45 of the "ALL ADJ UNIT COSTS" tab.